



Adopted	Rejected
---------	----------

COMMITTEE REPORT

YES:	13
NO:	0

MR. SPEAKER:

Your Committee on Government and Regulatory Reform, to which was referred
Senate Bill 422, has had the same under consideration and begs leave to report the same
back to the House with the recommendation that said bill **be amended** as follows:

- 1 Replace the effective dates in SECTIONS 1 through 2 with
- 2 "[EFFECTIVE JULY 1, 2015]".
- 3 Replace the effective date in SECTION 10 with "[EFFECTIVE
- 4 JULY 1, 2015]".
- 5 Page 3, delete lines 22 through 42.
- 6 Delete pages 4 through 8.
- 7 Page 9, delete lines 1 through 16, begin a new paragraph and insert:
- 8 "SECTION 5. IC 6-1.1-24-1, AS AMENDED BY P.L.203-2013,
- 9 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 10 JULY 1, 2014]: Sec. 1. (a) On or after January 1 of each calendar year
- 11 in which a tax sale will be held in a county and not later than fifty-one
- 12 (51) days after the first tax payment due date in that calendar year, the
- 13 county treasurer (or county executive, in the case of property described
- 14 in subdivision (2)) shall certify to the county auditor a list of real

property on which any of the following exist:

(1) ~~In the case of real property other than real property described in subdivision (2);~~ Any property taxes or special assessments certified to the county auditor for collection by the county treasurer from the prior year's spring installment or before are delinquent as determined under IC 6-1.1-37-10 and the delinquent property tax or special assessments due exceed twenty-five dollars (\$25).

(2) ~~In the case of real property for which a county executive has certified to the county auditor that the real property is:~~

~~(A) vacant; or~~

~~(B) abandoned;~~

~~any property taxes or special assessments from the prior year's fall installment or before that are delinquent as determined under IC 6-1.1-37-10. The county executive must make a certification under this subdivision not later than sixty-one (61) days before the earliest date on which application for judgment and order for sale may be made. The executive of a city or town may provide to the county executive of the county in which the city or town is located a list of real property that the city or town has determined to be vacant or abandoned. The county executive shall include real property included on the list provided by a city or town executive on the list certified by the county executive to the county auditor under this subsection.~~

~~(3) (2)~~ Any unpaid costs are due under section 2(b) of this chapter from a prior tax sale.

(b) The county auditor shall maintain a list of all real property eligible for sale. Except as provided in section 1.2 or another provision of this chapter, the taxpayer's property shall remain on the list. The list must:

(1) describe the real property by parcel number and common address, if any;

(2) for a tract or item of real property with a single owner, indicate the name of the owner; and

(3) for a tract or item with multiple owners, indicate the name of at least one (1) of the owners.

(c) Except as otherwise provided in this chapter, the real property so listed is eligible for sale in the manner prescribed in this chapter.

(d) Not later than fifteen (15) days after the date of the county treasurer's certification under subsection (a), the county auditor shall mail by certified mail a copy of the list described in subsection (b) to each mortgagee who requests from the county auditor by certified mail a copy of the list. Failure of the county auditor to mail the list under this subsection does not invalidate an otherwise valid sale.

SECTION 6. IC 6-1.1-24-1.5, AS AMENDED BY P.L.169-2006, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1.5. (a) As used in this chapter and IC 6-1.1-25, "county executive" means the following:

(1) In a county not containing a consolidated city, the county executive or the county executive's designee.

(2) In a county containing a consolidated city, the executive of the consolidated city.

(b) The county executive **or an executive of a city or town** may, **after obtaining an order under IC 32-30-10.6 that real property is vacant or abandoned and providing either the notice required by IC 32-30-10.6-6 or section 2.3 of this chapter, designate the real property on the list prepared under section 4.5(b) of this chapter that is eligible for listing on the list prepared under subsection (c):**

(c) The county executive shall prepare a list of properties designated under subsection (b) and certify the a list of vacant or abandoned property to the county auditor. no later than sixty-one (61) days prior to the earliest date on which application for judgment and order for sale may be made:

(d) (c) Upon receiving the list lists described in subsection (c); (b), the county auditor shall do all the following:

(1) Prepare a **combined** list of the properties certified by the **commission; executive of the county, city, or town. and**

(2) Delete any property described in that list from the delinquent tax list prepared under section 1 of this chapter.

(3) Provide public notice of the sale of the properties under subsection (d) at least thirty (30) days before the date of the sale, which shall be published in accordance with IC 5-3-1.

(4) Auction the property.

(5) Issue a deed to the real property to the highest bidder whose bid is at least the minimum bid specified in this section.

The minimum bid for a property at the auction under this section

1 is the proportionate share of the actual costs incurred by the
2 county in conducting the sale. Any amount collected from the sale
3 of all properties under this section above the total minimum bids
4 shall first be used to pay the costs of the county, city, or town that
5 certified the property vacant or abandoned for title search and
6 court proceedings. Any amount remaining from the sale shall be
7 certified by the county treasurer to the county auditor for
8 distribution to other taxing units during settlement.

9 (d) Notice of the sale under this section must contain the
10 following:

11 (1) A list of tracts or real property eligible for sale under this
12 chapter.

13 (2) A statement that the tracts or real property included in the
14 list will be sold at public auction to the highest bidder.

15 (3) A statement that the tracts or real property will not be
16 sold for less than an amount equal to actual proportionate
17 costs incurred by the county that are directly attributable to
18 the abandoned property sale.

19 (4) A statement for informational purposes only, of the
20 location of each tract or item of real property by key number,
21 if any, and street address, if any, or a common description of
22 the property other than a legal description. The township
23 assessor, or the county assessor if there is no township
24 assessor for the township, upon written request from the
25 county auditor, shall provide the information to be in the
26 notice required by this subsection. A misstatement in the key
27 number or street address does not invalidate an otherwise
28 valid sale.

29 (5) A statement that the county does not warrant the accuracy
30 of the street address or common description of the property.

31 (6) A statement that the sale will be conducted at a place
32 designated in the notice and that the sale will continue until all
33 tracts and real property have been offered for sale.

34 (7) A statement that the sale will take place at the times and
35 dates designated in the notice.

36 Whenever the public auction is to be conducted as an electronic
37 sale, the notice must include a statement indicating that the public
38 auction will be conducted as an electronic sale and a description of

1 the procedures that must be followed to participate in the
2 electronic sale."

3 Page 9, line 21, delete "section 1(a)(2)" and insert "**section 1.5**".

4 Page 9, delete lines 22 through 30, begin a new paragraph and
5 insert:

6 "**(b) If a notice was not sent with regard to a tract or real**
7 **property as permitted by IC 32-30-10.6-6, a notice shall be sent to**
8 **the owner of record and to any person with a substantial property**
9 **interest of public record in the tract or real property at least one**
10 **hundred twenty (120) days before the date of the certification**
11 **under section 1.5 of this chapter. The notice must contain at least**
12 **the following:**

13 (1) **A statement that an abandoned property sale will be held**
14 **on or after a specified date.**

15 (2) **A description of the tract or real property to be sold.**

16 (3) **A statement that any person may redeem the tract or real**
17 **property at or before the abandoned property sale."**

18 Page 10, between lines 13 and 14, begin a new paragraph and insert:

19 "SECTION 10. IC 6-1.1-24-5.1 IS ADDED TO THE INDIANA
20 CODE AS A NEW SECTION TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2015]: **Sec. 5.1. A business entity that seeks**
22 **to register to bid at a tax sale must provide a certificate of**
23 **authority from the secretary of state to the county treasurer."**

24 Page 11, delete lines 33 through 42.

25 Delete page 12.

26 Page 13, delete lines 1 through 41.

27 Page 14, delete lines 26 through 42.

28 Delete page 15, begin a new paragraph and insert:

29 "SECTION 15. IC 6-1.1-25-2, AS AMENDED BY P.L.56-2012,
30 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2014]: **Sec. 2. (a) The total amount of money required for the**
32 **redemption of real property equals:**

33 (1) **the sum of the amounts prescribed in subsections (b) through**
34 **(f); or**

35 (2) **the amount prescribed in subsection (g);**
36 **reduced by any amounts held in the name of the taxpayer or the**
37 **purchaser in the tax sale surplus fund.**

38 (b) **Except as provided in subsection (g), the total amount required**

1 for redemption includes:

- 2 (1) one hundred ten percent (110%) of the minimum bid for
 3 which the tract or real property was offered at the time of sale, as
 4 required by IC 6-1.1-24-5, if the tract or item of real property is
 5 redeemed not more than six (6) months after the date of sale; or
 6 (2) one hundred fifteen percent (115%) of the minimum bid for
 7 which the tract or real property was offered at the time of sale, as
 8 required by IC 6-1.1-24-5, if: the tract or item of real property is
 9 redeemed more than six (6) months but not more than one (1)
 10 year after the date of sale.

11 (c) Except as provided in subsection (g), in addition to the amount
 12 required under subsection (b), the total amount required for redemption
 13 includes the amount by which the purchase price exceeds the minimum
 14 bid on the real property plus ~~ten~~ five percent (~~10%~~) (5%) per annum
 15 on the amount by which the purchase price exceeds the minimum bid
 16 on the property.

17 (d) Except as provided in subsection (g), in addition to the amount
 18 required under subsections (b) and (c), the total amount required for
 19 redemption includes all taxes and special assessments upon the
 20 property paid by the purchaser after the sale plus ten percent (10%)
 21 interest per annum on those taxes and special assessments.

22 (e) Except as provided in subsection (g), in addition to the amounts
 23 required under subsections (b), (c), and (d), the total amount required
 24 for redemption includes the following costs, if certified before
 25 redemption and not earlier than thirty (30) days after the date of sale of
 26 the property being redeemed by the payor to the county auditor on a
 27 form prescribed by the state board of accounts, that were incurred and
 28 paid by the purchaser, the purchaser's assignee, or the county, before
 29 redemption:

- 30 (1) The attorney's fees and costs of giving notice under section 4.5
 31 of this chapter.
 32 (2) The costs of a title search or of examining and updating the
 33 abstract of title for the tract or item of real property.

34 (f) The total amount required for redemption includes, in addition
 35 to the amounts required under subsections (b) and (e), all taxes, special
 36 assessments, interest, penalties, and fees on the property that accrued
 37 after the sale.

38 (g) With respect to a tract or item of real property redeemed under

- 1 section 4(c) of this chapter, instead of the amounts stated in subsections
- 2 (b) through (f), the total amount required for redemption is the amount
- 3 determined under IC 6-1.1-24-6.1(b)(4)."
- 4 Page 16, line 4, after "IC 6-1.1-24" insert **"except for**
- 5 **IC 6-1.1-24-1.5"**.
- 6 Page 16, line 5, after "sale;" insert **"or"**.
- 7 Page 16, line 7, delete ";" and insert ".".
- 8 Page 16, strike lines 8 through 9.
- 9 Page 16, line 10, strike "IC 6-1.1-24-1.5,".
- 10 Page 16, line 10, delete "if the sale occurs before July 1, 2014; or;".
- 11 Page 16, delete lines 11 through 19.
- 12 Page 16, line 35, delete ", if applicable,".
- 13 Page 16, delete lines 41 through 42.
- 14 Page 17, delete lines 1 through 3.
- 15 Page 18, line 17, after "between" insert ":
- 16 **(1)"**.
- 17 Page 18, line 17, after "amount of" insert ":
- 18 **(A)"**.
- 19 Page 18, line 18, after "IC 6-1.1-24-5" insert "; **plus**
- 20 **(B) any penalty associated with a delinquency that was not**
- 21 **due until after the date of the sale under IC 6-1.1-24-5 but**
- 22 **is due before the issuance of the certificate of sale, with**
- 23 **respect to taxes included in the minimum bid that were not**
- 24 **due at the time of the sale under IC 6-1.1-24-5;"**.
- 25 Page 18, line 18, after "and" begin a new line block indented and
- 26 insert:
- 27 **"(2)"**.
- 28 Page 18, line 38, reset in roman "subsection".
- 29 Page 18, line 39, delete "subsections".
- 30 Page 18, line 39, after "(d)" insert ",."
- 31 Page 18, line 39, delete "and (k),".
- 32 Page 21, delete lines 34 through 37.
- 33 Page 22, line 32, after "IC 6-1.1-24-6.8," insert **"or with respect to**
- 34 **penalties described in section 4(k) of this chapter,"**.
- 35 Page 24, delete lines 29 through 42.
- 36 Page 25, delete lines 1 through 40, begin a new paragraph and
- 37 insert:
- 38 **"SECTION 20. IC 6-1.1-25-11, AS AMENDED BY P.L.73-2010,**

SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 11. (a) Subsequent to the issuance of the order directing the county auditor to issue a tax deed to real property sold under IC 6-1.1-24, a county auditor shall refund the purchase money plus ~~six~~ **five** percent (~~6%~~) (**5%**) interest per annum from the county treasury to the purchaser, the purchaser's successors or assigns, or the purchaser of the certificate of sale under IC 6-1.1-24 if it is found by the court that entered the order for the tax deed that:

- (1) the real property described in the deed was not subject to the taxes for which it was sold;
- (2) the delinquent taxes or special assessments for which the real property was sold were properly paid before the sale; or
- (3) the legal description of the real property in the tax deed is void for uncertainty.

(b) The grantee of an invalid tax deed, including the county, to whom a refund is made under this section shall execute, acknowledge, and deliver to the owner a deed conveying whatever interest the purchaser may have acquired by the tax sale deed. If a county is required to execute a deed under this section, the deed shall be signed by the county board of commissioners and acknowledged by the clerk of the circuit court.

(c) A refund may not be made under this section while an action initiated under either section 14 or 16 of this chapter is pending.

(d) If a sale is declared invalid after a claim is submitted under IC 6-1.1-24-7 for money deposited in the tax sale surplus fund and the claim is paid, the county auditor shall:

- (1) refund the purchase money plus six percent (6%) interest per annum from the county treasury to the purchaser, the purchaser's successors or assigns, or the purchaser of the certificate of sale under IC 6-1.1-24; and
- (2) certify the amount paid to the property owner from the tax sale surplus fund as a lien against the property and as a civil judgment against the property owner."

Page 26, line 11, after "form" insert "**and the county auditor collects the sales disclosure fee set forth in IC 6-1.1-5.5-4**".

Page 28, between lines 39 and 40, begin a new paragraph and insert: "SECTION 22. IC 32-30-10.6-1, AS AMENDED BY P.L.203-2013, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2014]: Sec. 1. This chapter applies to the following:

(1) A mortgage foreclosure action filed under IC 32-30-10-3.

(2) A determination that property is abandoned or vacant for purposes of IC 6-1.1-24 **or IC 34-30-26-7.**

SECTION 23. IC 32-30-10.6-3.5, AS ADDED BY P.L.203-2013, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3.5. (a) This section applies to a property whether or not there is a mortgage on the property.

(b) As an alternative to seeking a determination of abandonment under any other statute, the executive of a **county**, city, or town that:

(1) has jurisdiction in the location of a property; and

(2) does not have a person designated as a hearing authority, as defined by IC 36-7-9-2;

may petition a court for a determination that the property is abandoned.

(c) A petition filed with the court under this section must do all the following:

(1) Include a statement of the enforcement authority's jurisdiction in the location of the property.

(2) Allege that the property is abandoned.

(3) Include evidence that one (1) or more of the conditions set forth in section 5(a) or 5(b) of this chapter apply.

(d) A petition under this section shall be served on:

(1) the creditor and the debtor, if the property is subject to a mortgage; and

(2) any other appropriate party;

in the manner prescribed by the Indiana Rules of Trial Procedure.

SECTION 24. IC 32-30-10.6-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 6. (a) This section applies only to a petition by a county, city, or town for a court order of abandonment.**

(b) Instead of providing notice at least one hundred twenty (120) days before the date of a certification under IC 6-1.1-24-1.5, the county, city, or town that is filing the petition may provide the notice referred to IC 6-1.1-24-2.3 at least one hundred twenty (120) days before a petition is filed under section 3.5 of this chapter.

(c) A court order of abandonment under this chapter authorizes the sale of the property and transfer of the deed of the property

1 **under IC 6-1.1-24-1.5.**

2 SECTION 25. IC 34-30-26-7 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2014]: **Sec. 7. (a) This section applies to real**
5 **property for which a city, town, or county has obtained a judgment**
6 **under IC 32-30-10.6 that the real property is:**

7 **(1) vacant; or**

8 **(2) abandoned;**

9 **due to a request for a determination by an enforcement authority.**

10 **(b) A city, town, or county may provide a potential purchaser or**
11 **a potential lender to a person who may want to purchase the real**
12 **property an opportunity to visually inspect the real property, if**
13 **accompanied by the appropriate enforcement authority. The**
14 **appropriate enforcement authority may accompany the person in**
15 **inspecting the real property and may enter upon the real property,**
16 **including any structure located on the real property, to visually**
17 **inspect the real property to determine whether the real property**
18 **may be desirable. For purposes of a visual inspection under this**
19 **section, a potential purchaser or a potential lender may not:**

20 **(1) request a utility provider or the city, town, or county to**
21 **connect or turn on utilities to the real property; or**

22 **(2) physically disturb or alter the real property.**

23 **(c) An enforcement authority or a person that enters upon the**
24 **premises of real property as permitted under this section:**

25 **(1) is immune from civil liability for an act or omission related**
26 **to the entry, unless the act or omission constitutes gross**
27 **negligence or willful, wanton, or intentional misconduct; and**

28 **(2) shall be held harmless from and against all claims of civil**
29 **or criminal trespass.**

30 SECTION 26. IC 36-7-9-2, AS AMENDED BY P.L.73-2010,
31 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2014]: **Sec. 2. As used in this chapter:**

33 "Community organization" means a citizen's group, neighborhood
34 association, neighborhood development corporation, or similar
35 organization that:

36 **(1) has specific geographic boundaries defined in its bylaws or**
37 **articles of incorporation and contains at least forty (40)**
38 **households within those boundaries;**

- (2) is a nonprofit corporation that is representative of at least twenty-five (25) households or twenty percent (20%) of the households in the community, whichever is less;
- (3) is operated primarily for the promotion of social welfare and general neighborhood improvement and enhancement;
- (4) has been incorporated for at least two (2) years; and
- (5) is exempt from taxation under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code.

"Continuous enforcement order" means an order that:

- (1) is issued for compliance or abatement and that remains in full force and effect on a property without further requirements to seek additional:
 - (A) compliance and abatement authority; or
 - (B) orders for the same or similar violations;
- (2) authorizes specific ongoing compliance and enforcement activities if a property requires reinspection or additional periodic abatement;
- (3) can be enforced, including assessment of fees and costs, without the need for additional notice or hearing; and
- (4) authorizes the enforcement authority to assess and collect ongoing costs for continuous enforcement order activities from any party that is subject to the enforcement authority's order.

"Department" refers to the executive department authorized by ordinance to administer this chapter. In a consolidated city, this department is the department of ~~metropolitan development~~, **code enforcement** subject to IC 36-3-4-23.

"Enforcement authority" refers to the chief administrative officer of the department, except in a consolidated city. In a consolidated city, the division of development services is the enforcement authority, subject to IC 36-3-4-23.

"Hearing authority" refers to a person or persons designated as such by the executive of a city or county, or by the legislative body of a town. However, in a consolidated city, the director of the department or a person designated by the director is the hearing authority. An employee of the enforcement authority may not be designated as the hearing authority.

"Known or recorded fee interest, life estate interest, or equitable interest of a contract purchaser" means any fee interest, life estate

1 interest, or equitable interest of a contract purchaser held by a person
2 whose identity and address may be determined from:

- 3 (1) an instrument recorded in the recorder's office of the county
4 where the unsafe premises is located;
- 5 (2) written information or actual knowledge received by the
6 department (or, in the case of a consolidated city, the enforcement
7 authority); or
- 8 (3) a review of department (or, in the case of a consolidated city,
9 the enforcement authority) records that is sufficient to identify
10 information that is reasonably ascertainable.

11 "Known or recorded substantial property interest" means any right
12 in real property, including a fee interest, a life estate interest, a future
13 interest, a mortgage interest, a lien as evidenced by a certificate of sale
14 issued under IC 6-1.1-24, or an equitable interest of a contract
15 purchaser, that:

- 16 (1) may be affected in a substantial way by actions authorized by
17 this chapter; and
- 18 (2) is held by a person whose identity and address may be
19 determined from:

20 (A) an instrument recorded in:

- 21 (i) the recorder's office of the county where the unsafe
22 premises is located; or
- 23 (ii) the office of the county auditor of the county where the
24 unsafe premises are located in the case of a lien evidenced
25 by a certificate of sale issued under IC 6-1.1-24;

26 (B) written information or actual knowledge received by the
27 department (or, in the case of a consolidated city, the
28 enforcement authority); or

29 (C) a review of department (or, in the case of a consolidated
30 city, the enforcement authority) records that is sufficient to
31 identify information that is reasonably ascertainable.

32 "Substantial property interest" means any right in real property that
33 may be affected in a substantial way by actions authorized by this

- 1 chapter, including a fee interest, a life estate interest, a future interest,
- 2 a mortgage interest, or an equitable interest of a contract purchaser.".

- 3 Renumber all SECTIONS consecutively.

(Reference is to SB 422 as printed January 31, 2014.)

and when so amended that said bill do pass.

Representative Mahan